GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:7222
ANSWERED ON:13.05.2005
LOAN TO STATES BY NATIONALISED BANKS
Athawale Shri Ramdas

Will the Minister of FINANCE be pleased to state:

(a) whether Nationalised Banks provide loan to State Governments;

(b) if so, the amount outstanding against each State Government as on date;

(c) the date from which the amount is outstanding;

(d) the reasons given by the defaulting states for non-payment of loans;

(e) the steps taken or proposed to be taken by the union Government to recover the said amount;

(f) whether some of the Nationalised Banks have filed their claims in the courts of law for the recovery of the said amount; and

(g) if so, the latest position thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM):

(a) to (g) As per Reserve Bank of India, Nationalised banks are allowed to lend to State Governments only through market borrowings and not through loans. Investment in State Government securities by public sector banks as on 28th February 2005 is Rs. 112940 crores.